

DRAFT - 15 APRIL 1977

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INTELLIGENCE STRUCTURE AND MISSION RESPONSE TO PART 2 OF PRM-11

In addressing the question of the most effective organizational arrangements for meeting the nation's intelligence needs, it is important to underscore that good intelligence is a prime requirement at every level of government concerned with national security from the President and members of the National Security Council to the military field commander.

At the national level the purpose of the U.S. intelligence community is to produce high quality, relevant, and objective intelligence for the President, the NSC principals and, increasingly, for the Congress. These national needs range from information and analysis supporting the formulation of major policy decisions to providing strategic and tactical warning. Such intelligence is drawn from technologically advanced collection systems as well as the traditional forms of collection.

Intelligence must also serve the particular needs of the various components of the Department of Defense, including the military services. At the Departmental level intelligence is used in making decisions as to what weapons systems to develop and their necessary characteristics as well as in force structure planning. At another level, intelligence provides essential information for crisis response and support for the planning and conduct of military operations including time urgent data on military force movement and activity. A greater degree of timeliness and specificity tends to distinguish DoD's needs from those of civilian agencies. The means and manner of collecting, processing, and producing such intelligence are as diverse as are the needs.

At issue is what organizational arrangements will most effectively serve the wide variety of intelligence needs of national, departmental and tactical users.

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The division of responsibilities set forth in the 1947 National Security Act and National Security Council Directives of the late 1940's and 1950's was between the CIA, which was to support the National Security Council, and the "departments and other agencies of the Government," which were to "continue to collect, evaluate, correlate, and disseminate departmental intelligence." The distinction was not between military and non-military but rather between that intelligence needed by the NSC and that needed by departmental and agency heads.

In the charge to the Director of Central Intelligence under the 1947 act to advise the NSC on "coordination of the intelligence activities of the several Government departments," President Truman sought to prevent repetition of the intelligence confusion and delays that occurred prior to Pearl Harbor. The problem addressed under the act was how to collect, collate, process, and especially disseminate intelligence reports and estimates that would best serve the national leadership -- the President and the NSC.

Since 1947 intelligence collection has become far more technically sophisticated and complex. The old distinctions between national and departmental intelligence have blurred, but not disappeared.

Four issues concerning the modern intelligence community have been particularly controversial:

- (1) How best to allocate resources in a way which supports all levels and types of intelligence users and does so in peace, crisis, and war;
- (2) How best to control the targeting of intelligence collection assets in support of all users in peace, crisis, and war;

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(3) How best to distribute line authority over the various intelligence elements;

(4) Whether and how to deal with the potential conflict which results from the DCI being the principal intelligence staff officer to the President and the NSC while at the same time (wearing his CIA hat) being one of the intelligence line officers of the government.

25X1 This last question arises because the CIA today, as it has for many years, accounts for [] percent of the total national foreign intelligence program budget and manages some large and complex technical systems which compete with DoD programs for funds. This raises the question whether the DCI can be, and can be perceived to be, an objective allocator of resources if he also has line responsibility for CIA.

With respect to the other issues, two differing viewpoints have characterized the debate over the years. One viewpoint emphasizes a centralized intelligence structure and the resource allocation process as a DCI responsibility. A second emphasizes the interaction and overlap among national, departmental and tactical needs in both the tasking and resource allocation process and would decentralize responsibility to recognize this. The first stresses resource rationalization and economy; the second stresses responsiveness to user needs.

Resource Allocation

The rapid growth of sophisticated Soviet weapons systems and communications technology, coupled with the advent of advanced U.S. collection systems over the last 15 years, has driven up the total cost of operating the government's intelligence programs. Since 1971, there has been pressure

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from the White House and from Congress to impose fiscal constraints on the total amount spent on intelligence and to ensure that there is no wasteful duplication of effort.

Accordingly, considerable attention has been paid to resource allocation. The November 1971 Presidential Memorandum, which followed the OMB "Schlesinger Study," directed the DCI to play a larger role in recommending "the appropriate allocation of resources to be devoted to intelligence" including tactical intelligence. It further directed the DCI to prepare a consolidated intelligence program budget including tactical intelligence. Finally the President directed the DCI to turn over to his Deputy as much day-to-day control over CIA as legally possible.

Over the succeeding several years, the DCIs played a greater or lesser role in the resource allocation process depending on their own proclivities and their interaction with the Secretary of Defense. However, for a variety of reasons, largely related to recognition of the integral role of tactical assets in the conduct of military operations, the DCIs never made a significant resource allocation impact on the tactical assets of military commanders.

E.O. 11905, issued in February 1976, removed tactical intelligence from the National Foreign Intelligence Program and specifically stated that "neither the DCI nor the CFI (Committee on Foreign Intelligence) shall have responsibility for tactical intelligence," although the CFI was to provide guidance on the relationship between tactical and national intelligence."

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The CFI was empowered by E.O. 11905 to "control" budget preparation and resource allocation for the National Foreign Intelligence Program and to review and amend the NFIP budget. The DCI was made chairman of the CFI but no guidance was provided in the event that a majority of the CFI disagreed with the view of the DCI. In addition, some confusion was created within the Executive Branch and in Congress since the Secretary of Defense is by law responsible for the DoD budget while E.O. 11905 states that the CFI shall "control" and "amend" elements of the DoD budget. The same problem is applicable to State, Justice, ERDA, etc., since portions of their budgets are also subject to review by the CFI (now Policy Review Committee (intelligence)).

At present, resources for those elements of the National Foreign Intelligence Program which are under the direction, funding and operational control of the Secretary of Defense are subject to the same planning, programming and budget processes as are all other DoD programs, except that these programs are also subject to CFI review and appraisal. The Services, Defense agencies, and Program Managers are given program guidance early in the calendar year by the Secretary of Defense for the next fiscal year and, since E.O. 11905, from the DCI as well. During May each year, the Services, Defense agencies and Program Managers send their Program Objectives to the Secretary of Defense for review. In July, the Policy Review Committee (Intelligence) reviews the proposed NFIP Programs and approves or amends them as required. The PRC (Intelligence) decisions are then reflected in the Program Decision Memoranda issued by the Secretary of Defense.

In the September-October time frame each year, the DoD Comptroller holds budget hearings on DoD programs including intelligence. OMB and the ICS participate in those budget hearings. In November, the Secretary

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of Defense issues Program Budget Decisions which reflect PRC (Intelligence) decisions. The final DoD budget submitted to the President incorporates these decisions, or they become issues for Presidential resolution. As the budget year progresses, reprogrammings from or to intelligence programs must be reviewed by the Policy Review Committee before going through the normal DoD process.

Other elements of the National Foreign Intelligence Program are subject to the PRC July program and November budget reviews.

Tasking

Operational tasking at present reflects the traditional primacy of the DCI in this area. The DCI controls CIA, clandestine services, and the principal interagency committees which prioritize SIGINT and imagery tasking report to the DCI.

Tasking has been complicated because intelligence data-collection systems have grown increasingly capable of serving both the broad interests of the policy makers and defense planners and the more specific technical interests of weapons developers and the combat intelligence needs of field commanders. Communications intelligence provides political and economic data, as well as information on military capabilities and operations. Agents are asked to collect information on Soviet weapon technology, political intentions, grain harvests, etc. Satellites produce pictures which are critical both to the SALT policy maker and the Army Commander on the East German border.

One issue is how to provide the tactical commander in the field not only the appropriate product from nationally controlled intelligence

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assets, but how to permit that commander to task those assets which can be directly responsive to his needs. There is also an issue in the opposite sense, mainly of ensuring that the appropriate product of "tactical" intelligence collection is made available to national policy makers. A third issue is whether there is a need to establish a central mechanism to prioritize the tasking of national systems. Proper resolution of these issues must take into account the need for a rapid, effective transition from peace, to crisis, to war.

Line Authority

There appears to be general agreement that systems and organizations which are substantially tactical in nature should remain under DoD control, although there is a significant grey area in defining what is "tactical." The principal questions relate to operational control of national intelligence collection systems. With respect to possible DCI control over NSA, one of the issues is whether, during peacetime, intercept operators would be tasked to collect information on potential enemy tactical military communications, unit locations, operating procedures, etc., all of which provide a vital technical data base and essential training for crisis and wartime. The concern is that under DCI control, NSA in peacetime would be tasked almost exclusively to collect information in support of the national policy makers. An additional issue is whether trained military personnel and militarily compatible equipment would be available for quick deployment to combat areas in time of crises to provide necessary SIGINT direct support if NSA was not under the peacetime control of the Secretary of Defense.

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More broadly, Secretary of Defense line authority over NSA, [REDACTED]

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[REDACTED] allows efficient interface with non-NFIP facilities essential to the success of these programs (such as missile ranges, shipyards, base operations, etc.) and there is thus a question whether this could be similarly accomplished if line authority were placed elsewhere.

Alternatives

In national systems, one key question with respect to resource allocation, operational tasking and line authority is the proper balance between (1) centralization of control in the DCI and (2) DoD dedicated resources designed principally for support of military operations such as aircraft, submarines, satellite boosters and the like. Another way of looking at the same balance is to ask how to task the multiplicity of collection systems (that, given the diversity of targets, will exist in any event) so as to be as responsive as possible to the needs of all consumers consistent with an acceptable overall cost.

A second key question is the wisdom of mixing management responsibility (e.g., resource allocation or line authority over collection organizations and assets) with responsibility for analysis, evaluation, and the setting and prioritization of requirements. One view holds that requirements cannot be satisfied without centralized control. Another holds that the quality of evaluation, etc. will be prejudiced by the demands and burdens of managing a multi-billion dollar intelligence community.

Alternative forms of resource management, operational tasking, and line authority, which can be considered for national systems are:

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Resource Management: Subject to appeal to the President acting with the advice of the NSC -

1. Either the DCI or the Secretary of Defense could have the final authority either independently of, or after recourse to, a collegial forum. This raises questions of operational control since if (for example) DCI had resource allocation authority, the people and hardware (e.g., submarines) presumably should belong to him. The governing statutes and E. O. 11905 would require substantial modification.

2. Decisions could be negotiated collegially, with neither the DCI nor the Secretary of Defense having final decision authority in the absence of negotiated agreement. This is approximately today's situation.

3. The DCI could have the power (either with or without a collegial forum) to veto, but not to add, with respect to the NFIP elements in the budgets of a Department as determined from time to time by the Department. This would strengthen the DCI's control of upward pressures on Departmental intelligence budgets while leaving the Departments some downside flexibility. E.O. 11905 would need to be modestly modified, but not the governing statutes!

Operational Tasking

1. Continue present arrangements, based on separate collegial mechanisms, under which the DCI has final tasking authority during peace, crisis, and war. Under this system military commanders must go through these DCI mechanisms to task national systems not only in peacetime, but in time of crisis or war as well.

2. Modify present arrangements to:

a. establish a single centralized non-collegial mechanism for tasking. The principal purpose would be to improve responsiveness in crisis and war.

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b. provide for shift of final tasking authority from the DCI to SECDEF during crisis or war.

Line Authority

1. Retain existing distribution of line authority over national systems

2. Shift line authority over NSA

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3. Separate the DCI from operational control of all national collection assets.

It may be worth noting that the CIA got into the big-system intelligence collection business to avoid a situation in which U.S. military personnel would be overflying the Soviet Union. This, of course, is no longer an issue and so there is no a priori reason for such systems to be under DCI control. On the other hand, if the DCI were separated from operational control of CIA, the question would have to be addressed as to whether the DCI could effectively perform his role as principal intelligence advisor to the President without direct control of some intelligence analysis and estimating resources. If he must have such resources, what are the alternatives: the NIOs only; the NIO and all of the DDI; the NIO and part of the DDI?

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